

Memorandum



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Subject	Rewald vs. the Press - Article from the <u>Honolulu</u> Magazine, April 1984	Date	April 3, 1984
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STAT

Enclosed is an article re Ronald Rewald taken from the Honolulu  
for your information.

Enclosure

JFP/ljh

**MEDIA**/Tom Jordan**Rewald vs. the press**

For almost nine months there has been no way you could eat lunch or attend a cocktail party or even work out at your local gym without discussing the rise, and especially the fall, of Ronald Ray Rewald and his company, Bishop, Baldwin, Rewald, Dillingham & Wong Inc. It has been and will continue to be the hottest Hawaii story in memory—some say in history. If your experience has been like mine, however, you have heard in nearly every one of those discussions at least one voice that strongly believed that Rewald and company have been treated shabbily by the justice system, by his friends and particularly by the press.

It really shouldn't surprise anyone that Rewald wouldn't hurry to enter any of the news stories concerning him in a Carol Burnett Fund for Responsible Journalism competition. Nor should it surprise anyone that those media people involved believe they have been professional and fair in their own coverage of the case. However, it is a bit surprising that some other media people believe their fellows may not have lived up to the high standards that such an investigative story surely requires.

Rewald made these claims in an interview I had with him recently:

■ Barbara Tanabe's Channel 2 report (assisted by Richard Borreca), which broke the story, was a "personal attack" on him. Her Milwaukee series invaded his family's privacy and hurt them.

■ Charles Memminger's *Star-Bulletin* stories (there was nearly one every day during the first 60 days of the break) "contained a lot of crap and I told him so. He's the only reporter, besides Larry Price, that I met."

■ *The Advertiser* "did a very bad job." (He would not elaborate.)

■ Larry Price of Channel 4 and KSSK Radio "is interested in a certain segment. I personally like the guy. When he did the four- or five-part series about involvement with



the CIA, part was fantasy and damaged me; part was well done."

■ Bill Wood, who did a recent *Hawaii Investor* interview with Rewald, "did not follow up like I thought he would." (Wood printed Rewald's remarks without comment.)

■ Jim Hackleman's HONOLULU sports column, a few months before the collapse, "embarrassed me because it emphasized a 'lifestyle' which really was not mine, when the reason I gave the interview was to promote polo in Hawaii." (Hackleman says he got his material from Rewald himself.)

Rewald reiterates his charge in the Wood interview that the media (along with interim bankruptcy trustee Thomas Hayes, law enforcement agencies and the courts) have destroyed the people he cared about most—family, friends, employees and clients.

His biggest beef is with Tanabe, who he claims aired a report on July 29 "that was too personally devastating and exposed some things, though several were lies, that my wife and I had been able to shelter our children from years earlier. I felt it ended my ability to work and live here and would ruin the lives of my family." He says Tanabe, KHON-TV reporter

(and anchor), had asked for an interview on Bishop Baldwin's Hong Kong study, a report that had come out a few days before. An interview was arranged with consultants/attorneys D. Alden Newland and Jason Wong, since they had worked on the report.

When she got there, Rewald says Tanabe asked some questions about Hong Kong, then switched to questions concerning a state of Hawaii subpoena which had been issued by the Department of Commerce and Consumer Affairs. This was unfair to him and to the consultants, he says.

Tanabe claims Rewald's account "totally untrue." According to her she had requested to talk to Rewald several days before and she had mentioned she wanted to ask questions about the company. When she arrived at Bishop Baldwin, Tanabe had heard of the subpoena being issued one day earlier. About 10 minutes into the interview, she began to ask questions about the subpoena and the company. Tanabe also recalled that she thought Rewald was nervous (he says he was not) because Wood left the room several times as if to confer with someone.

After this broadcast, says Rewa, he made arrangements to send his wife and kids to Wisconsin, secured some files, went by the federal building (for what purpose he will not or cannot say) and then checked into the Waikiki hotel. He had decided to end it all.

According to a copy of a transcript of the July 29, 1983, broadcast (the day Rewald attempted suicide), Tanabe reported that James T. Bishop, Robert G. Baldwin III and G. Randall Dillingham were not members of the kamaaina families of the same names nor were the three gentlemen active in the business (Newland told the camera that he had never met Mr. Bishop or Mr. Baldwin and said he believed they were from California and Wisconsin); that about 20 attorneys worked for the firm; that no one knew much about the company until Ron Rewald, the man who ran it, released the Hong Kong study; that the state was interested in what the firm did; that the firm was a service company with a strict code of ethics; that the company did not take commissions or kickbacks but rather charged a fee for managing other people's money; that there was a waiting list of potential investors; that one person who did not qualify had complained to DCCA and the bank examiner had asked about FDIC insurance. Tanabe ended the piece with, "The key man in the company is Ron Rewald, a former pro football player turned business consultant. Although no one has complained about losing money, the state has issued a subpoena for Rewald to answer questions and bring documents on the investment practices of the firm."

How could that story itself have been so devastating to him? After all, he had been through personal bankruptcy several years before, and he has maintained that at no time did he think the state action would mean an end of the company. Rewald's reply is that he thought the Tanabe report was just focused on him. After he had been briefed about what was said during the interview (he did not return to the office but instead went to a company apartment nearby), he felt everything was over at that point. The conclusion I draw, since he would not elaborate further, is that it probably was not so much what Tanabe's report contained that bothered Rewald so much but what he



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thought it would contain and/or mean.

Rewald also faults Tanabe for the three-part series she put together in Wisconsin which he claims invaded the privacy of his friends and relatives and "spread the most outrageous lies," which all led to expanded news coverage in his hometown.

Tanabe's Channel 2 series treated him badly, according to Rewald, because she said his family name had been changed from Rewaldski to Rewald. (He said his family is German, not Polish, and that Tanabe could have checked it out easily.) Tanabe interviewed a man, Pat Jankiewicz, who was represented to be Rewald's high school football coach, and who described Rewald as a frustrated jock who would have done anything to play in the National Football League but who did not have enough talent to play beyond the high school sophomore level. Jankiewicz also described Rewald as being well liked but living in a world of fantasy, and, finally, as a "very dumb businessman." (Rewald says that Mr. Jankiewicz was never his

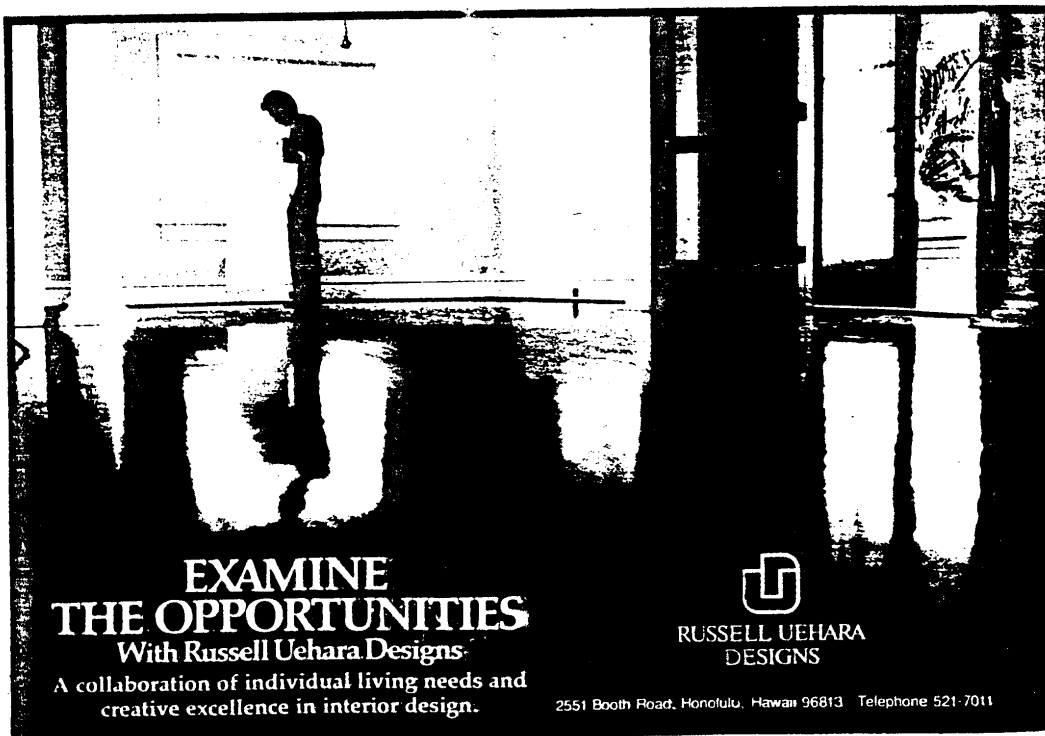
coach. He showed me photos, allegedly from his high school annual, that show him standing next to his coach John Schram who, Rewald says, has been dead for 14 years. I asked Rewald if I could look at the whole annual. He said he didn't have it.)

Rewald takes exception to remarks that he lacked athletic ability. He showed me the 1965 and 1967 editions of *The National Football League Record Manual* which listed his name on the Cleveland Browns rookie roster and the Baltimore Colts rookie roster, respectively. He also pulled out blue copies of NFL and AFL standard players contracts for 1965 (Cleveland, \$11,000, with \$2,000 bonus), 1966 (Kansas City Chiefs, \$7,500) and 1967 (Baltimore, \$15,000). I called the National Football League office in New York and was told by Alan Ainspan that Rewald was indeed on the rookie rosters. He also verified the contracts.


None of these items prove that Rewald actually played football for any of the three teams, and I have not yet been able to substantiate that he was able to actually make any active

squad. He produced news clippings allegedly from the *Milwaukee Journal* and *Milwaukee Sentinel*; however, all these clips talk about is that he signed with the Browns, was going to sign with the Chiefs and that he joined a team called the Racers of West Allis, Wis. (I saw a business card which carried the title "Promotions" beneath Rewald's name for the same team.)

A *Journal* article said he was a part-owner of College Athletic Supply Co., that he had attended Milwaukee Institute of Technology for two years majoring in general education, that he had attended Marquette University for a year, that he had been a president of Tau Theta Epsilon fraternity, that he had "developed an interest in football at South Division High School" in Milwaukee and that he played after high school with a team in the Tri-State semi-pro league. The *Sentinel* article about his joining the Racers is dated Sept. 29, 1965, and his contract with the Browns is dated July 29, 1965, indicating he didn't spend very much time with Cleveland, if any. Rewald did not produce any clips




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showing what he had done in any game, he showed me no stats, and showed me no stories about being traded.

The issue here is not whether Ron Rewald was a big-time pro halfback. Who cares? He didn't claim to be. The question is, when a reporter hits a story of this magnitude, how careful should he or she be in the investigating? Damned careful, most professional journalists agree. Tanabe says she checked and double-checked all her facts. Rewald says "bull." He claims the two stories made him out to be a cheat and a liar, and have had a devastating effect on his children.

Charles Memminger of the *Star-Bulletin* maintains that he began picking up some rumors concerning Rewald's company in September or October of 1982. In his spare time he began to run down a lot of names of attorneys and other people connected with Rewald and Bishop Baldwin. A company brochure offering services in 10 to 20 different areas caught his attention. An investment consultant told him that it was not possible that Bishop Baldwin could be offering so much. He says he also showed the Hong Kong report to his friend, the consultant, and was told that it was "b.s." He has gotten a few barbs for holding back the story too long, but he says he wanted to be damned sure of what he was writing about, especially since some prominent officials and figures seemed to associate with Rewald. He says he was in contact with state agencies to check on subpoenas but Channel 2 "just hit it right" and broke the story.

"Sure we made some mistakes," admits Memminger. "In a two-month period we ran more than 50 stories. Sometimes I would rewrite them for all three editions of the *Star-Bulletin*. We tried to correct things immediately but there were so many names and trusts. We tried to clarify as much as possible, especially the involvement of some of the military officers." Some believe the names were not important.

The *Star-Bulletin* reporter believes Channel 2 did a better job than the other TV newsrooms. But it was primarily a print story, according to Memminger. He thinks the *Advertiser's* Jim Dooley caught up quick but that Walter Wright, while doing a lot of in-court stuff, with details of Rewald's lifestyle trappings, nearly

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missed the bigger story. "Rewald was a collector of people, not just cars," says Memminger.

Dooley says he would have loved to have had a chance to interview Rewald as the story was breaking. He says he called the hospital but was told that Rewald was too sick to talk. "The next thing I know he's on TV talking to Larry Price from his hospital bed," says Dooley. "After that he went to jail. The trouble now is that I know what he [Rewald] wants—the same kind of ground rules as were in effect on the *Hawaii Investor* story. I don't want to agree to that."

Dooley thinks the print stories published so far have been generally fair. He also feels that Tanabe was right to go to Wisconsin to do the type of series she did and that other TV stations should have gone as well.

Without harshness, Dooley is critical of Larry Price's radio and TV coverage of the Rewald matter. He doesn't see how anyone could cover such a story and not talk to interim trustee Tom Hayes. "Seems to me," says Dooley, "that the media are responsible to be fair to everyone, not just Ron Rewald."

Price has little trouble with Dooley's criticism. First of all, he thinks most of the Honolulu press is interested in a different portion of the case than he. He believes that there is definite CIA involvement in the case. He justifies his interest by stating, "If the CIA is using tax money to buy polo ponies or to entertain governmental officials and others, I become interested. If there is CIA involvement (either big or little) it enhances credibility. If there is no CIA involvement then this case is no different than the Thrift Guaranty or other financial stories." Second, Price believes the Hawaii press has a history of taking on guys like Rewald because they are "indefensible."

Price thinks the biggest reason his print friends are not going into the CIA question is that it is not an easy thing to do. "The papers are working on the part of the story where the information is 'free,'" he says. "My

\*According to Bill Wood of the *Hawaii Investor*, the principal ground rule for his Rewald interview was that answers to questions would not be reworded or shortened. If Wood decided to use a particular answer, he would place it in its entirety. Also, Rewald said he could not discuss CIA matters, but in the interview, Wood asked him such questions anyway. Rewald parried those.

instincts tell me something for 'free' is not what I want. What you have to do is go to the 14 or so retired CIA agents who live here and ask questions. I have done it and I believe the CIA is up to its ears in this case." He explains he hasn't talked to Hayes because Hayes doesn't know anything about the CIA, but he plans to talk to Hayes later in the story. He says aside from these points, he is not in a position to judge what other media people say or do.

It is no secret that Price's insistence on CIA involvement has raised the eyebrows of some of his fellow journalists. Rewald isn't talking about the CIA because of a court order. But he's not critical of Price either.

There has been some criticism of the papers by those who have felt the dailies failed to go deep enough fast enough. Tom Hayes is not one of this group. He says that when he first entered the Bishop Baldwin office he had no idea what he would find or that there were investors all over the country. "Frankly, in the beginning I was happy with lots of coverage so the word of the bankruptcy could be disseminated. Since then, I have been amazed at the amount of publicity which has been reasonably fair. I haven't seen anything that I thought was outrageous. There may have been some overreaction but on the whole the coverage has been beneficial."

As to Rewald's charges that Hayes spoon-feeds the press and is responsible for the high bail that kept him in jail, Hayes has a one-word response: "Absurd!"

I have found one point on which every press person I've talked to agrees: There simply has been an overabundance of coverage of this story. Yet, no one (including Rewald) can deny that this is a terribly important and terribly newsworthy story, even if you believe that Ron Rewald has been maltreated by the media.

My purpose here is not to even attempt to make out a case advocating the guilt or innocence of Rewald. Nor do I wish to become a pawn or be perceived as one.

We have a right to the facts. Rewald has a right to some privacy and a fair trial—a trial which surely will not start for a year or two. To ensure all these rights, we must make certain the news coverage is fair.